GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:80
ANSWERED ON:18.07.2016
Start up Programme
P. Shri Nagarajan

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of the Start up programmes launched in MSME sector in the country during the last two years;

(b) whether the Government proposes to give more incentives for Start up programmes in the country; and

(c) if so, the details thereof?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a): Startup India is a flagship initiative launched by the Government of India on 16th January, 2016, which is aimed at building a strong eco-system for nurturing innovation and startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. With this Action Plan the government envisages to accelerate spreading of the Startup movement from digital/technology sector to a wide array of sectors including agriculture, manufacturing, social sector, healthcare, education etc. In the MSME sector, 21 Livelihood Business Incubators (LBIs) and 2 Technology Business Incubators (TBIs) have been approved.

(b) & (c): Government has given the following incentives to startups namely:-

â€¢ The Government of India shall bear the cost of facilitation in filing of IP applications related to patents, trademarks and design.

â€¢ To enable startups to reduce costs in their crucial formative years, startups have been provided up to 80% rebate in filing patents (Patent Amendment Rules 2016).

â€¢ Section 80-IAC has been introduced under Finance Act, 2016 which provides for tax exemption to Startups (Companies and LLPs) which are incorporated on or after 01.04.2016 but before 01.04.2019 for any 3 consecutive years out of 5 years beginning from year in which startup is incorporated.

â€¢ Tax exemption on investments above Fair Market Value has been introduced on 14 June, 2016 for investments made in Startups.

â€¢ Section 54EE has been introduced under Finance Act, 2016 which provides for exemption of capital gain arising out of transfer of long term capital asset invested in a fund notified by Central Government.

â€¢ List of 36 industries in "white" category has been published on CPCB's website. Further, CPCB has exempted industries in "white" from all the applicable self-certifications under the 3 Environment Acts viz. The Water (Prevention & Control of Pollution) Act, 1974; The Water (Prevention & Control of Pollution) Cess (Amendment) Act, 2003 and The Air (Prevention & Control of Pollution) Act, 1981.

â€¢ Relaxed norms on prior experience and turnover for public procurement for micro and small enterprises have been provisioned in the Procurement Policy of Ministry of MSME.

â€¢ A 'fund of funds' of INR 10,000 crores for Startups has been established which is managed by SIDBI. The fund will invest in SEBI registered Alternative Investment Funds (AIFs) which, in turn, will invest in Startups. Thus, this fund will act as an enabler to attract private capital in the form of equity, quasi-equity, soft loans and other risk capital for Startups. Rs. 500 crore has been released to SIDBI in 2015-16 and Rs. 600 crore in 2016-17.

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